



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5

77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

OCT 15 2010

REPLY TO THE ATTENTION OF:

E-19J

Stephanie A. Strength, Environmental Protection Specialist
U.S. Department of Agriculture - Rural Development, Rural Utilities Service
Mail Stop 1571
1400 Independence Avenue, SW
Washington, DC 20250-1571

Re: Bemidji–Grand Rapids 230 kV Transmission Line Project Final Environmental Impact
Statement Beltrami, Hubbard, Cass and Itasca Counties, Minnesota.
CEQ No.: 20100371

Dear Ms. Strength:

In accordance with our responsibility and authority under the National Environmental Policy Act (NEPA) and Section 309 of the Clean Air Act, the U.S. Environmental Protection Agency (EPA) reviewed the U.S. Department of Agriculture – Rural Utilities Service's (RUS) above-referenced Final Environmental Impact Statement (FEIS), prepared in conjunction with the Minnesota Department of Commerce, Office of Energy Security (OES).

Minnkota Power Cooperative, Otter Tail Power Company, and Minnesota Power (project proponents) propose to construct and operate a 230-kV electric transmission line from Bemidji to Grand Rapids, Minnesota (project). The project would meet projected future electric demand and maintain regional electric transmission reliability. The project area contains the Leech Lake Band of Ojibwe (LLBO) Reservation, Chippewa National Forest (CNF) land, county, state and private land. The U.S. Army Corps of Engineers (Corps), U.S. Forest Service (FS), CNF, and the Leech Lake Band of Ojibwe (LLBO), Leech Lake Division of Resource Management (LLDRM) are cooperating agencies on the EIS.

EPA commented on the Draft EIS (DEIS) for this proposal in our letter dated April 15, 2010. EPA expressed concerns regarding potential environmental impacts to wetlands, surface waters, ground water and the St. Regis Superfund Site, and loss of forest land. We questioned the adequacy of proposed mitigation. In addition, EPA commented on the alternatives analysis and future identification of the EIS preferred alternatives, and recommended additional information for inclusion in the FEIS.

The FEIS identifies a Preferred Route Alternative (Alternative 4). Preferred Alternative 4 is a combination of portions of DEIS Route Alternatives 1 and 2 and incorporates Segment Alternatives F and K. Alternative 4 includes the addition of 230 kV equipment at the Wilton, Boswell and Cass Lake Substations. The Boswell and Cass Lake Substations would be expanded in order to accommodate the 230 kV equipment. The FEIS identifies and provides an

analysis of the impacts associated with Alternative 4 and in comparison to the No-Build and DEIS Alternatives 1, 2 and 3. The FEIS provides an explanation regarding the identification and selection of Alternative 4 as the FEIS Preferred Alternative.

Mitigation: The FEIS identifies additional potential mitigation measures that could be used to further avoid, minimize and compensate for impacts for various resources. The FEIS identifies that mitigation measures that would be required by the federal agencies as permitting conditions would be included in the Record of Decision (ROD) issued by each federal permitting agency. In addition, the Commission will identify its required mitigation measures in the Commission's High Voltage Transmission Line (HVTL) permit. The LLDRM will also identify its required mitigation measures in its ROD. The FEIS does not identify the order and timing of each ROD, including the RUS ROD, and the Commission's HVTL permit decision.

Recommendation: We recommend RUS identify in its ROD the expected order and timing each federal cooperating agency and the LLDRM will issue their RODs in relation to the RUS ROD and the Commission's HVTL permit decision.

St. Regis Paper Company Superfund Site: The FEIS Preferred Alternative 4 includes Segment F. Segment F is a 1.3 mile segment that provides an alternative route through Cass Lake between MN Highway 371 and Pike Bay. Segment F may require the crossing of the St. Regis Paper Company Superfund Site along its southern, western, and eastern administrative boundaries. However, the FEIS does not include information and discussion that EPA feels is important in understanding potential consequences associated with this project.

Request: We request the RUS include the following information in the RUS ROD that is not identified and discussed in the FEIS:

1. Minnkota Power Cooperative, Otter Tail Power Company, and Minnesota Power could become a potentially responsible party (PRP) to the St. Regis Paper Company Superfund Site (site) if their project-related work results in the release of site-related hazardous substances.
2. There is the potential for release of contaminated soil from the St. Regis Paper Company Superfund Site due to the emplacement of transmission poles in contaminated soil.
3. There is the potential for adverse impacts to groundwater if the emplacement of transmission poles in the St. Regis Paper Company Superfund Site contaminated groundwater plume results in the release of contaminated groundwater from the upper aquifer through the local till layer into the lower aquifer.
4. There is the potential for adverse impacts to workers in areas of site-related contaminated soil and groundwater.

5. The potential impacts identified above in items 2, 3 and 4 should have been identified and discussed in the EIS, and should be documented in the ROD.
6. The “Groundwater,” “Soils” and “Safety and Health” sections of the FEIS Comparatives Impacts of Route Alternatives Tables ES-2 and 5-1 should be modified in the ROD to incorporate the potential impacts information identified above in comments 2, 3 and 4.
7. Timothy Drexler should be identified in the ROD as the EPA Remedial Project Manager for the St. Regis Paper Company Superfund Site, including his contact information: 312/353-4367 and drexler.timothy@epa.gov.

Water Resources/Wetlands: The FEIS incorporates EPA’s recommended changes regarding the Clean Water Act (CWA) Section 402 National Pollutant Discharge Elimination System (NPDES) General Storm Water Discharges Associated with Construction Activity permit. The FEIS also references EPA’s CWA Section 401 certification authority within the exterior boundaries of the LLBO reservation.

The FEIS identifies that the Corps has taken the position that Alternative 4 is likely to be the least environmentally damaging preferred alternative (LEDPA) for Clean Water Act (CWA) Section 404 permitting. The FEIS does not identify what permitting mechanism (e.g., individual permit, Letters of Permission) the Corps intends to use for this proposal. In addition, the FEIS does not mention whether the Corps will require compensation mitigation for all wetland losses, including the permanent loss of forested wetland due to tree clearing of the right-of-way. The FEIS does not include a draft or final wetland mitigation plan.

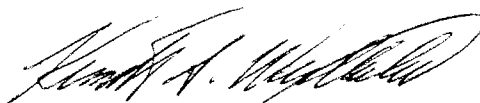
EPA retains its right to provide additional review and comment regarding this proposal during the CWA Section 404 permit process and EPA’s CWA Section 401 water quality certification for that portion of the project located within the exterior boundaries of the LLBO reservation. The EPA contact for CWA Section 404 permitting for the entire project and Section 401 certification for that portion of the project located within the exterior boundaries of the LLBO reservation is Janice Cheng. Janice may be reached at 312/353-6424 or at cheng.janice@epa.gov.

Tribal Concerns: The FEIS references the tribal concerns that RUS considered in its analysis and selection of the FEIS Preferred Alternative. The FEIS explains that project proponents and the FEIS cooperating federal agencies will continue their consultation with LLBO as part of their Treaty and trust obligations during their permit decision making regarding this proposal. An unsigned draft Programmatic Agreement (PA) between RUS, the cooperating federal agencies and the LLBO is included in the FEIS.

Recommendation: We recommend the final signed PA be included in the RUS ROD.

We appreciate the opportunity to comment on this FEIS. If you have any questions regarding our comments, please contact Virginia Laszewski, lead reviewer to this project, at (312) 886-7501 or at laszewski.virginia@epa.gov. EPA requests one hard copy and three CDs of the RUS Record of Decision when available.

Sincerely,



Kenneth A. Westlake
Chief, NEPA Implementation Section
Office of Enforcement and Compliance Assurance

cc: Suzanne Lamb Steinhauer, Project Manager, Minnesota Department of Commerce
Office of Energy Security, 85 – 7th Place East, Suite 500, Saint Paul, Minnesota
551001-2198
Tamara Cameron, Chief, Regulatory Branch, U.S. Army Corps of Engineers, St. Paul
District, 190 Fifth Street East, Suite 401, Saint Paul, Minnesota 55101-1638
Robert Maroney, U.S. Army Corps of Engineers, 10867 E. Gull Lake Drive NW,
Brainerd Field Office, Brainerd, Minnesota 56401
Robert Harper, Forest Supervisor, U.S. Forest Service – Chippewa National Forest,
200 Ash Avenue NW, Cass Lake, Minnesota 56633
Nick Rowse, U.S. Fish and Wildlife Service, Twin Cities Field Office, 4101 American
Boulevard East, Bloomington, Minnesota 55425
Arthur LaRose, Chairman, Leech Lake Band of Ojibwe, 115 Sixth Street NW, Suite E,
Cass Lake, Minnesota 56633
Bruce Johnson, Division Director, Division of Resources Management, Leech Lake
Band of Ojibwe, 115 Sixth Street NW, Suite E, Cass Lake, Minnesota 56633
Levi Brown, Environmental Manager, Division of Resources Management, Leech Lake
Band of Ojibwe, 115 Sixth Street NW, Suite E, Cass Lake, Minnesota 56633
Craig Affeldt, Supervisor, Environmental Review and Feedlot Section, Minnesota
Pollution Control Agency, 520 Lafayette Road North, Saint Paul, Minnesota
55155-4194
Steven Colvin, Supervisor, Environmental Review Section, Minnesota Department of
Natural Resources, 500 Lafayette Road, Saint Paul, Minnesota 55155-40